

STATE OF ALABAMA

SURFACE MINING COMMISSION

P.O. BOX 2390 - JASPER, ALABAMA 35502-2390 (205) 221-4130 • FAX: (205) 221-5077

MEMORANDUM

TO: Sherry Wilson

Office of Surface Mining

Mr. Jeff Kitchens

Department of Environmental Management

Mr. Frank White Alabama Historic Preservation Officer

The District Engineer U.S. Corps of Engineers

Alabama Department of Industrial Relations Division of Safety & Inspection

BLM - District Office

State of Alabama Abandoned Mine Land Reclamation

Jefferson County Commission

U.S. Fish & Wildlife Service

Mr. Keith Guyse, Fish & Game Division

Mr. Mitch Reid - Alabama Rivers Alliance

FROM: JOHNATHAN E. HALL, DIRECTOR

RE: **PERMANENT PROGRAM PERMIT FOR:**

Permit P-3987-01-21-S (Mine No. 2) Black Warrior Minerals. Inc.

Pursuant to the Alabama Surface Mining Commission Regulation 880-X-8K-.12(2), we are hereby notifying you of the issuance of the above permit.

You may also view a copy of this permit at our web address of:

http://surface-mining.alabama.gov/PermitDecisions.html

Enclosed for your information and file is a copy of the permit which shows the legal description of the mine site.

JEH/ml



STATE OF ALABAMA

SURFACE MINING COMMISSION

P.O. BOX 2390 - JASPER, ALABAMA 35502-2390 (205) 221-4130 • FAX; (205) 221-5077

Permit Number: P-3987-01-21-S

REVISED PERMIT CONDITIONS AND FINDINGS

Pursuant to the Alabama Surface Mining Control and Reclamation Act, Act No. 81-435, and duly promulgated rules of the Commission:

P-3987-01-21-S

Issued to: Black Warrior Minerals, Inc.

Post Office Box 1190 Sumiton, AL 35148-1190

License No.: L-698

All terms and conditions of the permit remain in effect.

Condition 12: The permittee must provide ASMC with written approval by the USACE for USACE Individual Permit, SAM-2014-01336-CMS dated July 27th, 2015 and its mitigation plan (revised November 20, 2015) prior to disturbance in any waters of the U.S. within the ASMC permit boundary. (REQUIREMENTS MET)

Condition 13: The permittee must flag a minimum 50 feet setback from the western most 500 feet of stream segment S-11 and a minimum 50 feet setback from all of stream segment S-18 as designated by the jurisdiction determination dated January 29, 2015 in a flagging color different than the permit boundary flagging for ASMC permit Increment No. 1 and Increment No. 2 prior to conducting mining activities on Increment No. 1 or Increment No. 2. (REQUIREMENTS MET)

Condition 14: The Permittee must submit to ASMC a bill of sale from the Big Sandy Mitigation Bank for 0.39 wetland credits prior to conducting any mining activities in ASMC permit Increment 4.

Condition 15: The Permittee must submit to ASMC a bill of sale form the Locust Fork Mitigation Bank for 1,471 stream credits prior to conducting any mining activities in ASMC permit Increment 5.

Finding 20: By a letter dated July 13, 2016 the US Army Corps of Engineers (USACE) issued Permit Number SAM-2014-01336-CMS to Black Warrior Minerals, Inc. Mine No. 2 site. The project will consist of impacts to 11,899 liners feet (lf) of ephemeral streams, 403 lf of ephemeral streams, 0.53 acre of wetlands and 2.53 acres of open water. To compensate for impacts to Waters of the U.S. the permittee shall purchase 0.39 wetland credits (0.26 credits * 1.49

Px) from the Big Sandy Mitigation Bank. To compensate for 11,899 lf of ephemeral stream the permittee generate at least 12,453 stream credits by preserving and enhancing approximately 3,005 lf of riparian buffer and unnamed tributary to Crooked Creek. The permittee shall purchase 1,471 stream credits from the Locust Fork Mitigation Bank for mitigation of impacts to 403 lf of ephemeral stream in USACE increment 5C.

EFFECTIVE DATE:

July 15, 2016

ohnathan E. Hall, Director

/ml

CC: I & E, Permit File

Dent of Industrial Per

Dept. of Industrial Relations Alabama Historical Commission Jefferson County Commission



STATE OF ALABAMA

SURFACE MINING COMMISSION

P.O. BOX 2390 - JASPER, ALABAMA 35502-2390 (205) 221-4130 • FAX: (205) 221-5077

July 15, 2016

Mr. C.W. McGehee, P.E. McGehee Engineering Corp Post Office Box 3431 Jasper, AL 35502-3431

RE: Black Warrior Minerals, Inc.

Mine No. 2, P-3987-01-21-S Permit Condition 12 and 13

Dear Mr. McGehee:

Your letter received on July 14, 2016, notifying the ASMC that Black Warrior Minerals, Inc. has met Condition 12 and 13 of P-3987-01-21-S and has been reviewed by the Alabama Surface Mining Commission (ASMC). The ASMC reviewed the letter from McGehee Engineering Corp and the attached Permit, Permit Number SAM-2014-01336-CMS, from the U.S. Corps of Engineers (USACE).

Based on the information provided by the USACE letter dated July 13, 2016, the requirements for Conditions 12 and 13 have been met and ASMC approves removal of Conditions 12 and 13.

If you have any questions concerning this matter, please feel free to contact us.

Sincerely,

Johnathan E. Hall

Director

cc Permit Manager
I & E Division
Permit File



May 11, 2016

Mr. Johnathan Hall, Director Alabama Surface Mining Commission P. O. Box 2390 Jasper, AL 35502-2390

RE: Black Warrior Minerals, Inc.

Mine No. 2, P-3987,

Permit Condition 12 and 13

Dear Mr. Hall:

Enclosed please find the issued/approved USACE Individual Permit, SAM-2014-01336-CMS, effective date July 14, 2016. Enclosed please find a copy of the Irrevocable Letter of Credit (No. 29543) posted with USACE ensuring compliance with said permit. Enclosed please find a copy of the Declaration of Restrictive Covenants as required by the USACE permit.

Having submitted verification of the issuance of USACE Individual Permit, SAM-2014-01336-CMS, Black Warrior Minerals, Inc. hereby requests that ASMC Permit P-3987 conditions 12 and 13 be deemed satisfied and the restrictions brought upon by permit conditions 12 and 13 be lifted.

Thank you for your consideration and if you should have any questions or need additional information, please contact our office.

Sincerely,

McGehee Engineering Corp.

C. W. McGehee, P.E. Alabama Reg. No. 17067

4505930378829303



DEPARTMENT OF THE ARMY

MOBILE DISTRICT, CORPS OF ENGINEERS 218 Summit Parkway, Suite 222 Homewood, Alabama 35209

July 13, 2016

North Branch Regulatory Division

SUBJECT: Department of the Army (DA) Draft Permit Number SAM-2014-01336-CMS, Mine #2, Black Warrior Minerals

Black Warrior Minerals, Inc. Attention: Mr. Rance Perry Post Office Box 1190 Sumiton, Alabama 35148

Dear Sir:

Enclosed are two copies of a Department of the Army draft permit for work specified in accordance with the enclosed plans, drawings, and specifications. If the permit is acceptable as drafted, you are requested to sign **both** copies in the space indicated and return both signed copies to me for final action. The original will be signed by me and returned to you with a placard to be posted at all times that construction is performed at the site.

A fee of \$100.00 is required before final action can be taken on your permit request. Please make your check payable to the Finance and Accounting Officer, Mobile District, U.S. Army Corps of Engineers and mail along with <u>both</u> copies of the signed draft permit to the letterhead address.

This permit is not valid until the District Commander signs it; therefore, work must not commence on the project until a fully executed copy has been returned to you.

Your attention is directed to all conditions under which this permit will be issued. Failure to comply with any condition of the approved permit may result in its suspension, cancellation, or revocation. If you object to certain terms and conditions contained within the permit, you may request that the permit be modified. Enclosed you will find a Notification of Administrative Appeal Options and Process and Request for Appeal (RFA) form. If you choose to object to certain terms and conditions of the permit, you must follow the directions provided in Section 1, Part A and submit the completed RFA form to the letterhead address 16.

In order for an RFA to be accepted by the Corps, the Corps must determine that it is complete, that it meets the criteria under 33 CFR Part 331.5, and that it has been received by the District office within 60 days of the date of the RFA.

:08**29**30;

you decide to submit an RFA form, it must be received at the letterhead address within 60 days of the date of this letter.

It is not necessary to submit an RFA form to the District office if you do not object to the determination/decision in this letter. In this case, both copies must be signed by the applicant in the space provided on the signature page of the permit. In the case of corporations, acceptance must be by an officer of that corporation authorized to sign on behalf of the corporation. The party responsible for assuring the work is done in accordance with the permit terms and conditions must sign the permit. Please type or print the name and title of the person signing below the signature and the date signed.

If you require further assistance, please do not hesitate to contact Ms. Courtney Shea at telephone number (205) 290-9096.

Sincerely,

Shannon Johnson North Branch Chief

Enclosures



NOTIFICATION OF ADMINISTRATIVE APPEAL OPTIONS AND PROCESS AND REQUEST FOR APPEAL

	cant: Black Warrior Minerals, Inc.	File Number: SAM-2014-01336-CMS	Date: 7/13/2016
Attac	hed is:	See Section below	
X	INITIAL PROFFERED PERMIT (SI	Α	
	PROFFERED PERMIT (Standard Permit or Letter of permission) PERMIT DENIAL		B C
	APPROVED JURISDICTIONAL DE	TERMINATION	D
	PRELIMINARY JURISDICTIONAL	DETERMINATION	E

SECTION I - The following identifies your rights and options regarding an administrative appeal of the above decision. Additional information may be found at

http://www.usace.army.mil/CECW/Pages/reg_materials.aspx or Corps regulations at 33 CFR Part 331

- A: INITIAL PROFFERED PERMIT: You may accept or object to the permit.
- ACCEPT: If you received a Standard Permit, you may sign the permit document and return it to the
 district engineer for final authorization. If you received a Letter of Permission (LOP), you may accept the
 LOP and your work is authorized. Your signature on the Standard Permit or acceptance of the LOP
 means that you accept the permit in its entirety, and waive all rights to appeal the permit, including its
 terms and conditions, and approved jurisdictional determinations associated with the permit.
- OBJECT: If you object to the permit (Standard or LOP) because of certain terms and conditions therein, you may request that the permit be modified accordingly. You must complete Section II of this form and return the form to the district engineer. Your objections must be received by the district engineer within 60 days of the date of this notice, or you will forfeit your right to appeal the permit in the future. Upon receipt of your letter, the district engineer will evaluate your objections and may: (a) modify the permit to address all of your concerns, (b) modify the permit to address some of your objections, or (c) not modify the permit having determined that the permit should be issued as previously written. After evaluating your objections, the district engineer will send you a proffered permit for your reconsideration, as indicated in Section B below.
- B: PROFFERED PERMIT: You may accept or appeal the permit
- ACCEPT: If you received a Standard Permit, you may sign the permit document and return it to the
 district engineer for final authorization. If you received a Letter of Permission (LOP), you may accept the
 LOP and your work is authorized. Your signature on the Standard Permit or acceptance of the LOP
 means that you accept the permit in its entirety, and waive all rights to appeal the permit, including its
 terms and conditions, and approved jurisdictional determinations associated with the permit.
- APPEAL: If you choose to decline the proffered permit (Standard or LOP) because of certain terms and
 conditions therein, you may appeal the declined permit under the Corps of Engineers Administrative
 Appeal Process by completing Section II of this form and sending the form to the division engineer. This
 form must be received by the division engineer within 60 days of the date of this notice.
- C: PERMIT DENIAL: You may appeal the denial of a permit under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.
- D: APPROVED JURISDICTIONAL DETERMINATION: You may accept or appeal the approved JD or provide new information.
- ACCEPT: You do not need to notify the Corps to accept an approved JD. Failure to notify the Corps within 60 days of the date of this notice, means that you accept the approved JD in its entirety and waive all rights to appeal the approved JD.
- APPEAL: If you disagree with the approved JD, you may appeal the approved JD under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and/sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

E: PRELIMINARY JURISDICTIONAL DETERMINATION: You do not need to respond to the Corps regarding the preliminary JD. The Preliminary JD is not appealable. If you wish, you may request an approved JD (which may be appealed), by contacting the Corps district for further instruction. Also you may provide new information for further consideration by the Corps to reevaluate the JD.				
SECTION II - REQUEST FOR APPEAL or OBJECTION	S TO AN INITIAL PROFFE	RED PERMIT		
REASONS FOR APPEAL OR OBJECTIONS: (Describe objections to an initial proffered permit in clear concise this form to clarify where your reasons or objections are	e your reasons for appealing statements. You may attack	g the decision or your n additional information to		
ADDITIONAL INFORMATION: The appeal is limited to memorandum for the record of the appeal conference of	a review of the administrativ	ve record, the Corps		
memorandum for the record of the appeal conference or meeting, and any supplemental information that the review officer has determined is needed to clarify the administrative record. Neither the appellant nor the Corps may add new information or analyses to the record. However, you may provide additional information to clarify the location of information that is already in the administrative record.				
POINT OF CONTACT FOR QUESTIONS OR INFORM	ATION:			
If you have questions regarding this decision and/or the appeal process you may contact: USACE Mobile District – Birmingham Field Office 218 Summit Parkway, Suite 222 Homewood, Alabama 35209	If you only have questions process you may also cont Jason Steele Administrative Appeals Re 60 Forsyth Street, SW (Ro Atlanta, GA 30303-8801 404-562-5137	view Officer om 9M10)		
RIGHT OF ENTRY: Your signature below grants the right of entry to Corps of Engineers personnel, and any government consultants, to conduct investigations of the project site during the course of the appeal process. You will be provided a 15 day notice of any site investigation, and will have the opportunity to participate in all site investigations.				
Signature of appellant or agent.	Date:	Telephone numbers 7677		
eignature of appoint of agent.		JUL 2016 RECEIVED SURFACE MINING COMMISSION COMMISSION		

DEPARTMENT OF THE ARMY PERMIT

Permittee: Black Warrior Minerals, Inc.

Permit No: SAM-2014-01336-CMS

Issuing Office: Mobile District

NOTE: The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

Project Description: The proposed project is a surface coal mine, which will involve the discharge of fill material into waters of the United States. These activities will involve impacts to 11,899 linear feet (If) of ephemeral streams, 403 If of ephemeral streams, 0.53 acre of wetlands and 2.53 acres of open waters.

Attached:

- 1. Figures 1 5
- 2. ADEM 401 Water Quality Certification

Project Location: The project is located in Sections 2,3,9,10,11,15,16 of Township 15 South, Range 3 West near Kimberly, Jefferson County, Alabama (Figures 1 and 2 – Appendix A) in the Lower Locust Fork and Middle Locust Fork 10 digit HUCs within the Locust Fork watershed (HUC 03160111). Approximate central coordinates are N 33.74685, W 86.83872.

Permit Conditions
General Conditions:

- 1. The time limit for completing the work authorized ends on <u>March 27, 2021</u>. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least 1 month before the above date is reached.
- 2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.
- 3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and State coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.

 JUL 2016
 RECEIVED

- 4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.
- 5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.
- 6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

Special Conditions:

- a. The authorized work shall be performed in accordance with the Clean Water Act Section 404 Application, subsequent submittals, and the Final Compensatory Mitigation Plan (CMP) dated February 2016.
- b. To compensate for the loss of 0.53 acre of wetlands, the permittee shall purchase 0.39 wetland credits (0.26 credits * 1.49 Px) from the Big Sandy Mitigation Bank. The purchase and documentation of the credit purchase shall be provided to the U.S. Army Corps of Engineers, Mobile District, North Branch Field Office, prior to conducting the impacts to wetlands that are authorized by this permit.
- c. To compensate for impacts to 11,899 linear feet (If) of ephemeral stream and 403 If of ephemeral stream, the permittee shall implement the CMP and purchase stream credits as described in the following:
- i. Approximately 3,005 linear feet of perennial stream (unnamed tributary to Crooked Creek) and riparian buffer shall be preserved and enhanced as specified in the CMP. At least 12,453 stream credits shall be generated at the compensatory mitigation area identified in the CMP. If mitigation efforts do not meet the performance standards outlined in the CMP, corrective measures and/or additional mitigation would be required that may include the purchase of credits from an approved mitigation bank.
- ii. The permittee shall purchase 1,471 stream credits from the Locust Fork Mitigation Bank. The purchase and documentation of the credit purchase shall be provided to the U.S. Army Corps of Engineers, Mobile District, North Branch Field Office, prior to conducting the impacts to the streams
- d. Financial assurances shall be provided to this office for the permitable through implementation of performance bonds or other approved instrument. The unaninstrument must be presented to the Corps for review and approval prior to implementation of the financial assurances. The amount of the financial assurance shall be \$108,507. The financial assurance instrument shall be executed prior to discharge of fill material into waters of the U.S. the mine) authorized by this permit (provided the Corps has approved the superior to acquire a provided to this office upon issuance. Failure to acquire a pure to acquire a pure

performance bond and submittal to this office for compensatory mitigation would result in remedial actions, which may include purchase of credits from an approved mitigation bank.

- e. The permittee-responsible mitigation areas identified in the CMP shall be protected with the Corps of Engineer's Mobile District approved Restrictive Covenant template. The Restrictive Covenant shall be recorded with the Register of Deeds, or other appropriate official charged with the responsibility for maintaining records of title and interest in real property, and a copy provided to the Mobile District North Branch Field Office, prior to the discharge of fill material into waters of the U.S. (associated with the mine) authorized by this permit. Failure to acquire a restrictive covenant for the mitigation areas would result in remedial actions that may include additional permittee-responsible mitigation or purchase of credits from an approved mitigation bank.
- f. An initial mitigation commencement report shall be submitted to the U.S. Army Corps of Engineers, Mobile District, North Branch Field Office, 218 Summit Parkway Suite 222, Homewood, Alabama 35209, within 60 days of commencement of the mitigation activities. Monitoring reports will be due annually 12 months from the submittal of the initial mitigation commencement report. Failure to submit monitoring reports would constitute permit non-compliance.
- g. The in-stream enhancement area(s) shall be monitored at least annually for a minimum of five years following completion of the mitigation construction. The monitoring period may be extended beyond five years based upon the success of the mitigation. The monitoring requirements may also be revised if remediation actions are required.
- h. The planted riparian buffers shall be monitored at least annually for a minimum of ten years following completion of the planting. The monitoring period may be extended beyond ten years based upon the success of the mitigation. The monitoring requirements may also be revised if remediation actions are required.
- i. If performance standards are not met, a brief explanation of the difficulties and potential remedial actions proposed by the permittee, including a timetable, must be provided. The District Engineer would ultimately determine if the mitigation site is successful for a given monitoring period.
- j. Remedial actions taken during the monitoring period shall be described in the annual monitoring reports. These actions may include, but are not limited to, removing debris, replanting, controlling invasive species, applying additional topsoil or soil amendments, adjusting site hydrology, etc. Remedial actions may be necessary to achieve or maintain achievement of the performance standards and otherwise improve the extent to which the mitigation site replaces the functions and values lost due to project impacts. If remedial measures are not determined to be adequate to achieve replacement of lost functions or compliance with permit conditions (i.e. failure to acquire long-term protection instrument or performance bond), the permittee could be required to purchase credits from a mitigation bank as compensatory mitigation for those areas that are not in compliance.
- k. Your responsibility to complete the required compensatory mitigation as set forth in the permit 15 conditions will not be considered fulfilled until you have demonstrated compensatory mitigation project success and have received written verification of that success from the U.S. Army Corps of Engineers. If performance standards have been met, the applicant would be released from future

monitoring requirements. Otherwise, the applicant may be required to implement remedial actions, which may include additional mitigation, to ensure compensation adequately offsets the loss of aquatic resource functions in association with the project.

- I. If any evidence of the presence of threatened/endangered species is found during construction, ground disturbing activities in the immediate vicinity must cease, and the permittee shall notify the U.S. Army Corps of Engineers, Mobile District North Branch Field Office (205-290-9096) and the US Fish and Wildlife Service (251-441-5181) immediately.
- m. The permittee is reminded this Department of the Army Permit authorization does not authorize the "take" of a threatened or endangered species as defined under the Endangered Species Act. In the absence of separate authorization (e.g., an ESA Section 10 Permit, a Biological Opinion with "incidental take" provisions, etc.) from the USFWS, both lethal and non-lethal "takes" of protected species are in violation of the ESA.
- n. Should artifacts or archaeological features be encountered during project activities, work shall cease and the U.S Army Corps of Engineers, Mobile District North Branch Field Office (205-290-9096) and the State Historic Preservation Office (334-242-3184) shall be contacted immediately. This stipulation shall be placed on the construction plans, and it is the permittee's responsibility to ensure contractors are aware of this requirement.
- o. In the event the permit is transferred, proof of delivery of a copy of the notification of permit transfer must be provided to the Corps.
- p. Only suitable material free of waste, metal, organic trash, unsightly debris, etc., may be used as fill, and material discharged must be free from toxic pollutants in toxic amounts.
- q. Best management practices shall be implemented to minimize erosion, siltation and damage to adjacent wetlands and waters of the U.S. Appropriate erosion and siltation control measures must be used and maintained in effective operating condition during construction. All temporary erosion control features shall remain in place until permanent stabilization measures have been completed and have become fully effective.
- r. The permittee shall comply with the local flood damage ordinance and the regulations of the National Flood Insurance Program. The project cannot cause ponding or flooding on adjacent properties.
- s. All excavation and fill activities shall be performed in a manner that minimizes disturbance and turbidity increases in waters of the U.S. and wetlands, and shall be retained in a manner to preclude its erosion into any adjacent wetlands or waters of the U.S.

t. Adjacent offsite wetlands will not be used for equipment staging or equipment storage

Further Information:

- 1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:
 - () Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).
 - (X) Section 404 of the Clean Water Act (33 U.S.C. 1344).
 - () Section 103 of the Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. 1413).
- 2. Limits of this authorization.
- a. This permit does not obviate the need to obtain other Federal, State, or local authorizations required by law.
 - b. This permit does not grant any property rights or exclusive privileges.
 - c. This permit does not authorize any injury to the property or rights of others.
 - d. This permit does not authorize interference with any existing or proposed Federal project.
- 3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:
 - a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.
 - b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.
 - c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.
 - d. Design or construction deficiencies associated with the permitted work.
 - e. Damage claims associated with any future modification, suspension, or revocation of this permit.
- 4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.
- 5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

3456789

a. You fail to comply with the terms and conditions of this permit.

- b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).
- c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions. General condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

7-14-16

(DATE)

Printed Name and Title:

Rance Perry

Black Warrior Minerals, Inc.

Post Office Box 1190

Sumiton, Alabama 35148

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

James A. DeLapp Colonel, U.S. Army District Commander Mannon Journ DATE: 7-14-16

Shannon Johnson

North Branch Chief, Regulatory Division

When the structures or work authorized by this permit are still in existence at the time the property is transferred, the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions, have the transferee sign and date below.

(TRANSFEREE) (DATE)

Attachment 1 Figures



33°44'48.7"N 86°50'19.4"W

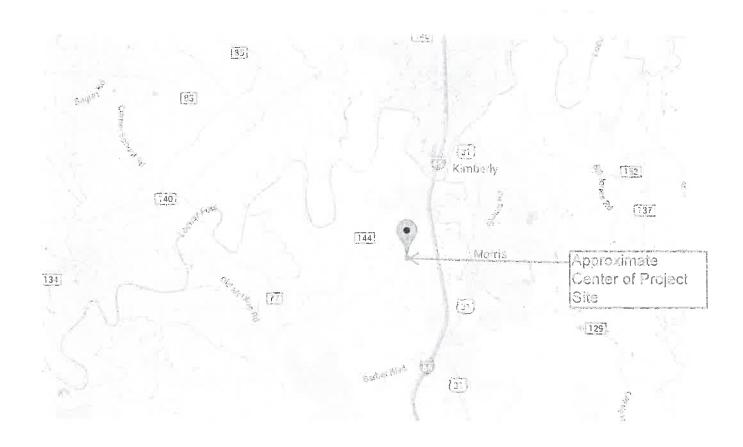
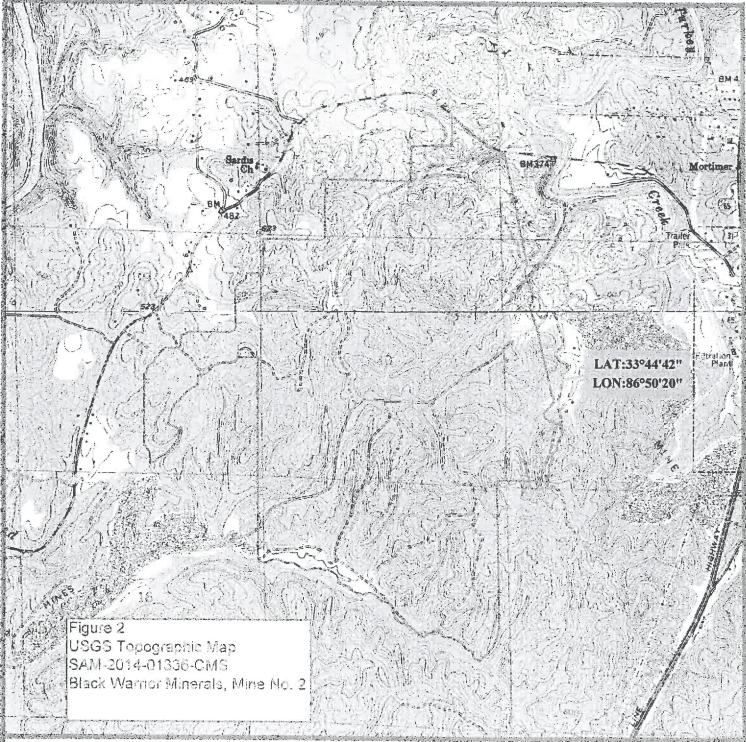


Figure 1 Project Vicinity Map SAM-2014-01336-CMS Black Warrior Minerals, Mine No. 2





SCALE: 1" = 2000' July 27th, 2015

BLACK WARRIOR MINERALS, INC. MINE NO. 2

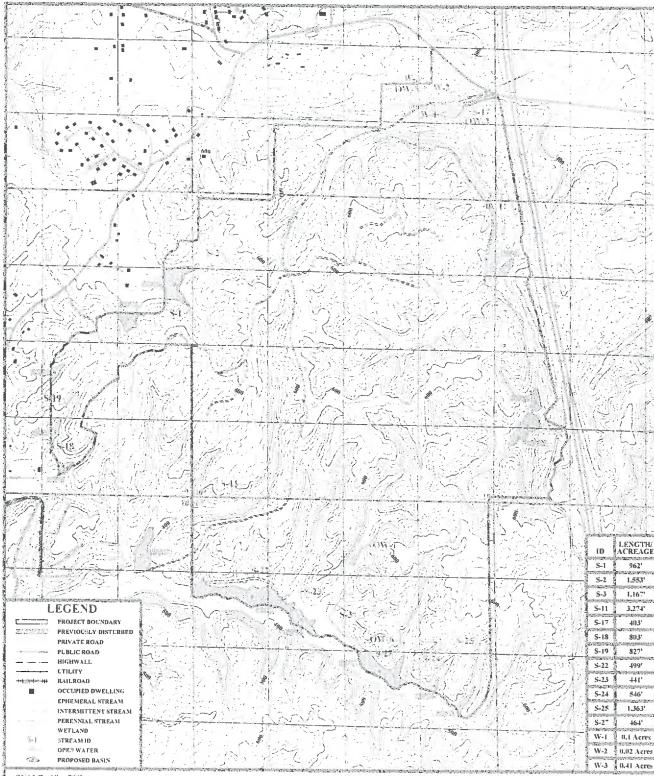
(APPROXIMATELY 1,293 ACRES TOTAL)

INDIVIDUAL PERMIT PROJECT AREA MAP

SECTIONS 2, 3, 9, 10, 11, 15 & 16 TOWNSHIP 15 SOUTH, RANGE 3 WEST, ALL IN JEFFERSON COUNTY, ALABAMA AS FOUND ON THE GARDENDALE & WARRIOR ALABAMA USGS QUAD.

PROJECT BOUNDARY





SCALE: 1" = 500° July 27th, 2015

BLACK WARRIOR MINERALS, INC. MINE NO. 2 (APPROXIMATELY 1,293 ACRES TOTAL)

Figure 3 JD and Proposed Impacts SAM-2014-01339-CMS Black Warrior Minerals, Mine No. 2

Jurisdictional Impact Map

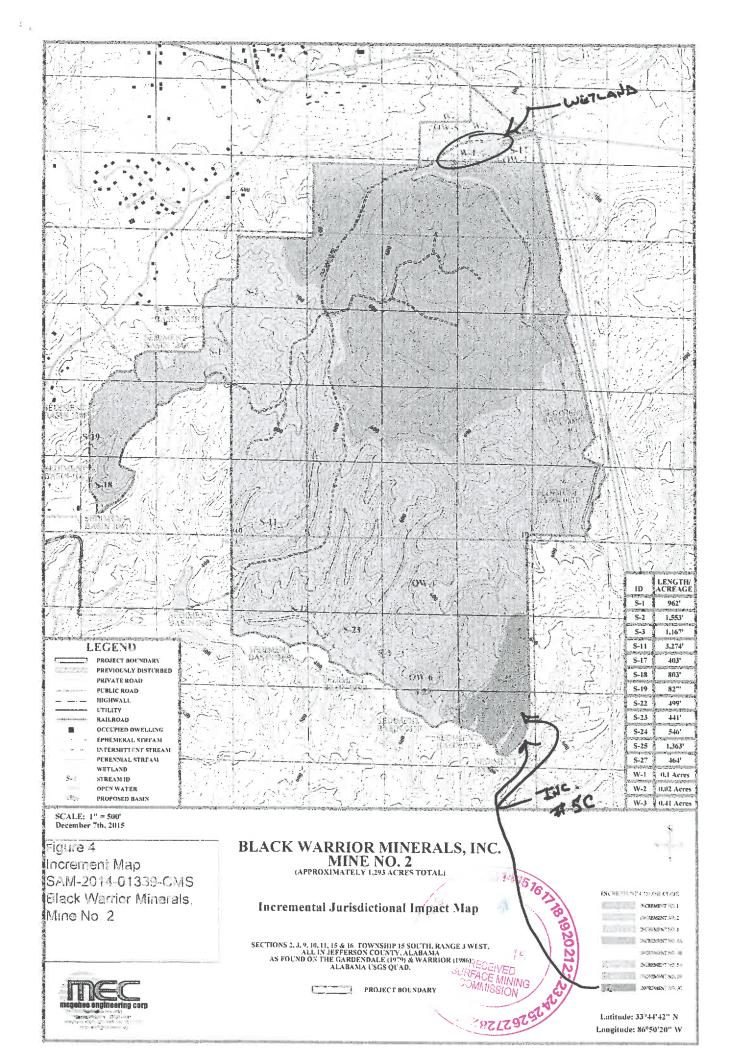
SECTIONS 2, 3, 9, 10, 11, 15 & 16 TOWNSHIP 18 SOUTH, RANGE 3 WEST, ALL IN JEFFERSON COENTY, ALABAMA AS FOUND ON THE GARDENDALE (19°9) & WARRIOR (1986) ALABAMA USGS QUAD.

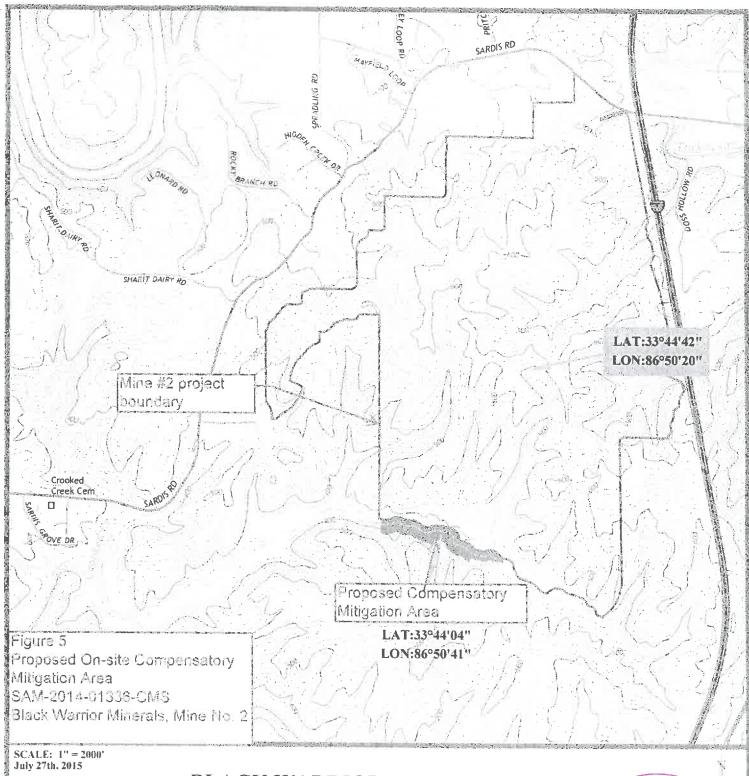


PROJECT BOUNDARY



Latitude: 33°44'42" N Longitude: 86°50'20" W





BLACK WARRIOR MINERALS, INC. MINE NO. 2

(APPROXIMATELY 1,293 ACRES TOTAL

MITIGATION LOCATION MAP

SECTIONS 2, 3, 9, 10, 11, 15 & 16 TOWNSHIP 15 SOUTH, RANGE 3 WEST, ALL IN JEFFERSON COUNTY, ALABAMA AS FOUND ON THE GARDENDALE & WARRIOR ALABAMA USGS QUAD.

PROJECT BOUNDARY



Latitude: 33°44'42" N Longitude: 86°50'20" W



Attachment 2
ADEM 401 Water Quality Certification



LANCE R. LEFLEUR



ROBERT J. BENTLEY

Attaisana Department of Environmental Management, ademaistama gov

1400 Colseam Blvd, 3611f, 2400 # Past Oding Rev 301483 Montgomery, Alsourna 36130-1461 (334) 271-7700 # FAX (334) 271-7950

March 28, 2015

BLACK WARRIOR MINERALS, INC. ATTN RANCE PERRY POST OFFICE BOX 1199 SUMITON AL 35148

RE: Certification with Special Conditions

Mine 42. Black Warrior Minerals, Inc.

Clean Water Act (CWA) Section 401 Water Quality Certification Usued March 28, 2016

Water Quality Certification Expires March 27, 2021

Corps of Engineers (COE) JPN SAM-2014-01336-CMS Issued July 27, 2015

Jefferson County (073)

Proposed wetland and waterbottom fill for the purpose of suface mining activity

Dear Mr. Perry:

This office has completed a review of the above-reterenced tout public notice and all associated materials submitted related to the proposed project. Any comments made during the public notice period have also been forwarded to us for review

From our review, it is understood that the applicant proposes a surface mining activity, which includes the discharge of dredged and/or fill material into waters of the U.S. through the construction of sediment detention basins and mine-through activities. These activities would impact 11 899 linear feet (II) of aphenical streams, 403 If of intermittent streams, 0.53 acres of wetlands, and 2.53 acres of impoundments. The project encompasses 1,293 acres of land, portions of which contain unreclaimed highwalls from prior surface mining activities at the site.

Because action pertinent to water quality certification (WQC) is required by Section 301(a)(1) of the Clean Water Act (CWA), 33 U.S.C. Section 1251, et seq., we hereby issue certification, for a period not to exceed five (5) years from the date of issuance, that there is reasonable assurance that the discharge resulting from the proposed activities as submitted will not violate applicable water quality standards established under Section 303 of the CWA and Title 22, Section 22-22-9(g). Code of Alabama, 1978, provided the applicant acts in accordance with the following conditions as specified. We further certify that there are no applicable effluent limitations under Section 301 and 302 nor applicable standards under Section 306 and 307 of the CWA in regard to the activities specified.

To minimize adverse impacts to State waters, by copy of this detier we are requesting the Mobile District Corps or fingingers to incorporate the following as special conditions of the Corps Perion:

- During project implementation, the applicant shall ensure compliance with applicable requirements of ADEM. Admin Code Chapter 335-6-6 [National Pollutant Discharge Elimination System (NPDES)]. Chapter 335-6-11 (Water Quality Criteria), and Chapter 335-6-11 (Water Use Classifications for Interstate and Intrastate Waters).
- The applicant shall obtain and maintain valid NPDES permit coverage prior to commencing and/or continuing the proposed project activities. If you have any questions regarding regulated mining activity or NPDES permit requirements, please contact ADEM's Water Division at (334) 271-7823.
- Please be advised that ADEM permit coverage may be required for certain activities/operations relating to or resulting from this project. If you have any questions regarding regulated activity or the need for air permit coverage, please contact ADEM's Air Division at (334) 271-7869. If you have any questions regarding regulated activity or the need for hazardous, toxic, and or solid waste permit coverage, please contact ADEM's Land Division at (534) 271-7730.

Birménjham Branch 110 Velsor Road Dicelegham, A., 35259-1702 (205) 942-0168 (205) 941-1503 (FAX) Decate Branch 2713 \$5 MFB Phase, SW. Decater Al., 359-23 LTH, (250 USD-1713 1256) 340 9319 (AN)



Mode Branch 2004 Parimeter Road Model, Ac. 26415 1131 (251) 150-1100 (251 474 2591) (44 Mobile-Coustal Jiffid Dauprun Street, Suaz II Monto, Al. Mistli 251, 304-1175 CS1, 304-1189 (FAX)



Black Warrior Minerals, Inc. March 28, 2016 Page 2 of 2

In recognition that projects are site specific in nature and conditions can change during project implementation, ADEM reserves the right to require the submission of additional information or require additional management measures to be implemented, as necessary on a case by case basis, in order to ensure the protection of water quality. Liability and responsibility for compliance with this certification are not delegable by contract or otherwise. The applicant shall ensure that any agent, contractor, subcontractor, or other person employed by, under contract, or paid a salary by the applicant complies with this certification. Any violations resulting from the actions of such person shall be considered violations of this certification.

Issuance of a certification by ADEM neither precludes nor negates an operator/owner's responsibility or liability to apply for, obtain, or comply with other ADEM, federal, state, or local government permits, certifications, licenses, or other approvals. This certification does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to persons or property or invasion of other private rights, trespass, or any infringement of Federal, State, or local laws or regulations, and in no way purports to vest in the applicant title to lands now owned by the State of Alabama nor shall it be construed as acquiescence by the State of Alabama of lands owned by the State of Alabama that may be in the applicant's possession.

Should you have any questions on this or related matters, please do not hesitate to contact Falon Hooks, Office of Field Services, by email at falon.hooks@adem.state.al.us or by phone at (334) 394-4322.

Sincerely

Anthony Scott Hughes, Chief Field Operations Division

File: WQ401/EFH

: Birmingham Field Office, Mobile COE



SEAVIABIRST BANK Poor Ciffee Box 1500 Birmingoum, Alabama 1520 J. 1508 T. 215, 343,0502 J. 205,649, 1903 or disfirst ank cital

July 14, 2016

U.S. Army Corps of Engineers – Mobile District Regulatory Division, Inland Branch Birmingham Field Office 218 Summit Parkway, Suite 222 Homewood, Alabama 35209-4753



USACE Permit # SAM-2014-01336-CMS

Dear Sirs:

We hereby issue to you and establish in your favor, at the request of Black Warrior Minerals, Inc. this Irrevocable Standby Letter of Credit No. 29543 dated July 14, 2016 under the following terms:

- 1. RELEASE OF FUNDS. ServisFirst Bank may only disburse funds in accordance with a written and signed request of Black Warrior Minerals, Inc. and APPROVAL of the Corps.
- 2. REQUEST FOR RELEASE OF FUNDS. Black Warrior Minerals, Inc. shall only request that ServisFirst Bank disburse said funds in accordance with the terms and conditions of the Financial Assurances provisions as shown in the Permit and shall only make requests in writing. A copy of each request for disbursement shall be simultaneously sent by Black Warrior Minerals, Inc. to the Corps. Upon receiving written approval from the Corps for the requested disbursement, ServisFirst Bank shall release said funds requested by Black Warrior Minerals, Inc. within five (5) days of receiving said approval.
- AGGREGATE AMOUNT: Up to the total aggregate of One Hundred Eight Thousand
 Five Hundred Seven Dollars (\$108,507.00). Partial and multiple drawings are permitted up
 to this total aggregate amount and Original Irrevocable Standby Letter of Credit returned after
 presentment.
- 4. EXPIRATION DATE: This Irrevocable Standby Letter of Credit is effective immediately and expires July 14, 2021 (five years from date of issuance).
- 5. GENERAL: We hereby engage with The US Army Corps of Engineers drawers, endorsers and bona fide holders that we will, upon presentation, honor drafts drawn, and presented in conformity with the terms of this Irrevocable Standby Letter of Credit.

6. SPECIAL CONDITIONS: The proceeds of any draft(s) drawn on this letter of credit shall not be paid to the Beneficiary. The proceeds shall be paid to any person identified by Black Warrior Minerals, Inc. in a written sight draft approved in writing by the Chief, Regulatory Division, U.S. Army Corps of Engineers, Mobile District and presented to the issuing bank pursuant to the terms of this Letter of Credit.

ServisFirst Bank

Bart E. McBride

Senior Vice President



STATE OF ALABAMA
COUNTY OF JEFFERSON

DECLARATION OF RESTRICTIVE COVENANTS

RECITALS

WHEREAS Covenantor is the owner of certain real property located in Jefferson County, State of Alabama, more particularly described Property:

A parcel of land located in part of the S ½ of the NW ¼ of Section 15, Township 15 South, Range 3 West, Jefferson County, Alabama, and being more particularly described as follows:

Commence at a 3" capped pipe at the NW corner of said S 1/2 and run S 00'08'55" E, along the West 1/4 - 1/4 line, 437.83 feet to the Point of Beginning of the herein described property; thence run Easterly along a line that is 100 feet North of and parallel with an unnamed creek, these bearings and distances; thence S 72'09'19" E, 31.33 feet; thence S 89'43'41" E, 86.33 feet; thence N 52'52'26" E, 81.38 feet; thence S 88'01'56" E, 61.99 feet; thence N 84'54'40" E, 82.66 feet; thence N 56'09'46" E, 56.29 feet; thence N 87'19'27" E, 104.16 feet; thence S 41'18'02" E, 98.95 feet; thence S 85'53'15" E, 55.15 feet; thence S 47'18'05" E, 17.69 feet; thence S 89'31'50" E, 94.95 feet; thence S 80°09'27" E, 53.80 feet; thence S 60'21'02" E, 61.97 feet; thence S 55'42'24" E, 127.90 feet; thence S 39'38'54" E, 34.62 feet; thence S 56'03'29" E, 34.47 feet; thence N 84'24'44" E, 36.61 feet; thence N 89'57'28" E, 74.25 feet; thence N 82'28'06" E, 43.18 feet; thence N 68'15'47" E, 65.99 feet; thence N 83'19'51" E, 68.27 feet; thence S 80'30'49" E, 74.23 feet; thence N 80'07'51" E, 24.43 feet; thence S 67°39'18" E, 61.67 feet; thence N 88'08'58" E, 103.07 feet; thence S 55'06'33" E, 245.89 feet; thence S 31'54'15" E, 81.28 feet; thence S 05'10'24" W, 96.98 feet; thence N 89'10'33" E, 43.98 feet; thence S 69'57'26" E, 121.11 feet; thence S 54'28'55" E, 131.73 feet; thence S 21'31'04" E, 39.21 feet; thence S 67°54'48" E, 179.49 feet; thence N 73°13'28" E, 161.28 feet; thence S 84°05'13" E, 80.71 feet; thence S 64'40'53" E, 85.13 feet; thence S 41'56'44" E, 86.67 feet; thence S 59'10'08" E, 81.93 feet; thence S 35'26'52" E, 50.32 feet to the East line of the S 1/2 of the NW 1/4; thence S 00'56'03" E, along said East line, 91.20 feet to a 3" capped pipe at the SE corner of said S 1/2; thence N 89'00'56" W, along the South 1/4 - 1/4 line, 881.60 feet; thence N 62'38'37" W, 513.32 feet to the West line of the SE 1/4 of the NW 1/4; thence N 77°17'42" W, 1359.63 feet to the West line of said S 1/4; thence N 00'08'55" W, along the West 1/4 - 1/4 line, 368.60 feet to the Point of Beginning.

Said described property contains approximately 26.12 acres. +/-

and

WHEREAS, in consideration of the issuance of Permit Number

SAM-2014-01336-CMS

("Permit") by the U.S. Army Corps of
Engineers, Mobile District ("Corps" or "Mobile District," to include any successor
agency) pursuant to Section 404 of the Clean Water Act and /or Section 10 of the
Rivers and Harbors Act authorizing certain activities in waters of the United States and
in recognition of the continuing benefit to the property, and for the protection of waters
of the United States and scenic, resource, environmental, and general property values,
Covenantor has agreed to perform certain mitigation and to place certain restrictive
covenants on the Property, in order that the Property shall remain substantially in its
natural condition forever;

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WHEREAS, the natural condition of the Property will be restored, enhanced and preserved pursuant to the Mitigation Plan ("Mitigation Plan") as referenced in the Permit; and the term "natural condition" shall mean the condition of the Property at the time of this grant and as restored, enhanced, and preserved pursuant of the Mitigation plan of the Permit;

NOW THEREFORE, Covenantor hereby declares that the Property shall be held. transferred, conveyed, leased, occupied or otherwise disposed of and used subject to the following restrictive covenants, which shall run with the land and be binding on all heirs, successors, assigns (they are included in the term, "Covenantor," below). lessees, or other occupiers and users.

1. Prohibitions & Restrictions.

- a. General. There shall be no filling, flooding, excavating, mining or drilling; no removal of natural materials; no dumping of materials; and no alteration of the topography in any manner.
- b. Waters and Wetlands. There shall be no draining, dredging, damming, or impounding; no impounding; no changing the grade or elevation, impairing the flow or circulation of waters, reducing the reach of waters; and no other discharge or activity requiring a permit under applicable clean water or water pollution control laws and regulations.
- c. Trees/Vegetation. There shall be no clearing, burning, cutting or destroying of trees or vegetation, except as expressly authorized in the Reserved Rights; there shall be no planting or introduction of non-native or exotic species of trees or vegetation.
- d. Uses. No agricultural, industrial, or commercial activity shall be undertaken or allowed.
- e. Structures. There shall be no construction, erection, or placement of buildings, billboards, or any other structures, nor any additions to existing structures.
- f. New Roads. There shall be no construction of new roads or trails without the prior written approval of the Mobile District Engineer, including the manner in which they are constructed.
- g. Use of Off Road Vehicles. There shall be no use of off road vehicles, 4-
- h. <u>Utilities</u>. There shall be no construction or placement of utilities or related
- i. Pest Control. There shall be no application of pesticides or biological
- vheel drive vehicles, all terrain vehicles and trails and except as necessisting roads and except as necessist J. Other Prohibitions. Any other use of, or activity on, the protected

SAM-2014-01336-CMS-RC

- Amendment. After recording, these restrictive covenants may only be amended by a recorded document signed by the Corps and Covenantor. Amendment shall be allowed at the discretion of the Corps, in consultation with resource agencies as appropriate, and then only in exceptional circumstances. Mitigation for amendment impacts will be required at the time of amendment. There shall be no obligation to allow an amendment.
- Notice to Government. Any permit application, or request for certification or modification, which may affect the Property, made to any governmental entity with authority over wetlands or other waters of the United States, shall expressly reference and include a copy (with the recording stamp) of these restrictive covenants.
- 4. Reserved Rights. It is expressly understood and agreed that these restrictive covenants do not grant or convey to members of the general public any rights of ownership, entry or use of the Property. These restrictive covenants are created solely for the protection of the Property, and for the consideration and values set forth above. The Covenantor reserves the right to engage in all acts or uses not prohibited by the Restrictions and which are not inconsistent wit the conservation purposes of this covenant, that is to preserve the protected property substantially in its natural condition, and to protect its environmental systems. Notwithstanding the foregoing Restrictions. Covenantor reserves for itself, its heirs, successors, administrators, and assigns the following Reserved Rights, which may be exercised upon providing prior written notice to the Mobile District Engineer, except where expressly provided otherwise:
 - a. Landscape Management. Landscaping by the Covenantor to prevent severe erosion or damage to the protected property or portions thereof, or significant detriment to existing or permitted uses, is allowed, provided that such landscaping is generally consistent with preserving the natural condition of the protected property.
 - b. Wildlife and Forestry Management. The Covenantor will naturally manage these lands to preserve and improve the existing forest and wildlife resources. Timber harvesting and management by Covenantor is limited to the extent necessary to protect the natural environment in areas where the forest is damaged by natural forces such as fire, flood, storm, insects or infectious organisms. Such timber harvest and/or management shall be carried out only after approval by the Mobile District Engineer.
 - c. Recreation. Covenantor reserves the right to engage in any outdoor, non-
 - commercial recreational activities, ...
 burning) and fishing, with cumulatively very small,
 consistent with the continuing natural condition of the protected proper written notice required.

 d. Mineral Interests. Covenantor specifically reserves a qualified mineral interest in subsurface oil, gas, or other minerals and the right to access such minerals.

 There shall be no extraction or removal of, or exploration for, minerals and nor by any method which results in subsidence or

- e. Road Maintenance. Covenantor reserves the right to maintain existing roads or trails. Maintenance shall be limited to: removal or pruning of dead or hazardous vegetation; application of permeable materials (e.g., sand, gravel, crushed) necessary to correct or impede erosion; grading; replacement of culverts, water control structures, or bridges; and, maintenance or roadside ditches.
- f. Other Reserved Rights. Covenantor reserves the right to engage in all acts or uses not prohibited by the Restrictions and which are not inconsistent wit the conservation purposes of this covenant, the preservation of the protected property substantially in its natural condition, and the protection of its environmental systems.
- 5. <u>Compliance Inspections</u>. The Corps, and its authorized agents shall have the right to enter and go upon the lands of Covenantor, to inspect the Property and take actions necessary to verify compliance with these restrictive covenants.
- 6. Enforcement. The Covenantor grants to the Corps and/or the U.S. Department of Justice, a discretionary right to enforce these restrictive covenants in a judicial action against any person(s) or other entity(ies) violating or attempting to violate these restrictive covenants; provided, however, that no violation of these restrictive covenants shall result in a forfeiture or reversion of title. In any enforcement action, an enforcing agency shall be entitled to a complete restoration for any violation, as well as any other judicial remedy such as civil penalties. These enforcement rights are cumulative, in addition to, and shall not limit enforcement rights available under other provisions of law or equity, or under any permit or certification.
- 7. <u>Property Transfers</u>. Covenantor shall include the following notice on all deeds, mortgages, plats, or any other legal instruments used to convey any interest in the Property (failure to comply with this paragraph does not impair the validity or enforceability of these restrictive covenants):

NOTICE: This Property Subject to Declaration of Restrictive Covenants.

- 8. <u>Marking of Property</u>. The perimeter of the Property shall at all times be plainly marked by permanent signs saying, "Protected Natural Area," or by an equivalent, permanent marking system.
- 9. Recording of Plat. A plat depicting the boundaries of the Property subject to these restrictive covenants shall be recorded in the deed records office for each county in which the Property is situated at the time of the recording of these restrictive covenants.

10. <u>Separability Provision</u>. Should any separable part of these restrictive covenants be held contrary to law, the remainder shall continue in full force and effect.

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IN WITNESS WHEREOF, the Covenantor has duly executed this Declaration of Restrictive Covenants the date written above.

IN THE PRESENCE OF:		Covenantor				
Witness Signature	Зу:	Kenneth S. Rogers				
M, CIREL D. P412UPS Print Witness Name Mitness Signature E	Зу:	Kenneth S. Rogers Print Name Usin L. M. Selve Eileen T. Rogers				
MISCUREL D. PHICUPS Print Witness Name		Eileen T. Rogers Print Name				
STATE OF ALABAMA COUNTY OF JEFFERSON						
PERSONALLY appeared before me,						
		Menillenu				
SWORN to and subscribed before me this 14 day of ユニュルカン、2016		Notary Signature Maria Rerry Print Name				
NOTARY PUBLIC FOR Jefferson Consty, Alabama						
My Commission Expires: June 18, 2018						
STATE OF ALABAMA COUNTY OF JEFFERSON						
PERSONALLY appeared before me. Maria Recry, the undersigned witness, and made oath that he/she saw the within named [by <u>Eileen Rogers</u> , its] sign, seal and as his/her/its act and deed, deliver the within named Declaration of Restrictive Covenants; and that he/she with the other witness named above witnessed the execution thereof.						
		Mene R. Perm 101112732				
SWORN to and subscribed before me this 14 day of June, 2016 NOTARY PUBLIC FOR Toffer SEN COUNTY	Ca = 10	Notary Signature Notary Signature Print Name				
My Commission Expires. June 19, 2018		2 SURPLINE				
my commoder expressing to No. 13, 2018	0	East Million Control of the Control				
		SAM-2014-01336-CMS ROZ 57				